

# *PUBLIC SCHOOL CONSTRUCTION IN MARYLAND*



Great Seneca Creek Elementary School, Montgomery County  
Maryland's First LEED Gold School

Presentation to the State Board of Education  
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# *PUBLIC SCHOOL CONSTRUCTION IN MARYLAND*

- Interagency Committee on School Construction
- Capital Improvement Program Process
- FY 2010 Capital Improvement Program

# The Interagency Committee on School Construction

## *STRUCTURE OF THE INTERAGENCY COMMITTEE*

- **Public School Construction Program (PSCP):** Established in 1971 to:
  - Assist local school systems in funding school construction projects
  - Ensure equity in the condition of school facilities in all jurisdictions of the state
- **Interagency Committee on School Construction (IAC):** Established by the Board of Public Works to administer the Public School Construction Program:
  - Consists of five members:
    - State Superintendent of Schools (chair)
    - Secretaries of Department of General Services and Maryland Department of Planning
    - Two members of the public appointed by the Presiding Officers of the General Assembly
  - Meets six times per year to approve policies and contracts, and approves six interim agendas on routine matters

# The Interagency Committee on School Construction

## ***STRUCTURE OF THE INTERAGENCY COMMITTEE***

- Superintendent and two Secretaries each have Designees to decide routine matters and prepare recommendations on policy and capital projects
- The Public School Construction Program provides overall management (*Note: the PSCP is both a program and an independent agency reporting to the Board of Public Works*)
- Four agencies within IAC meet bi-weekly to discuss all facility-related issues

# The Interagency Committee on School Construction

## *DUTIES AND FUNCTIONS OF THE INTERAGENCY COMMITTEE*

- **Capital Improvement Program:** Recommends projects for approval of planning and funding to the Board of Public Works
- **Regulations and Procedures:** Develops, updates and enforces regulations and procedures on:
  - Administration of the PSCP
  - Project procurement, delivery, and financing
  - Minority Business Enterprise Participation
  - Other funding programs
- **School Property:** Approves acquisition of and recommends disposal of school sites and State-owned relocatable classrooms

# The Interagency Committee on School Construction

## *DUTIES AND FUNCTIONS OF THE INTERAGENCY COMMITTEE*

- **Construction:** Approves contract awards for all State-funded CIP projects and for larger projects in other funding programs
- **Maintenance:** Inspects approximately 230 schools per year to ensure that they are properly maintained, and reports on issue to the Board of Public Works
- **Corollary State Policies:** Develops best practices to support State policies in growth and development, Minority Business Enterprise participation, and Base Realignment and Closure (BRAC)

# The Interagency Committee on School Construction

## *DUTIES AND FUNCTIONS OF IAC STAFF*

- **All:**
  - Provide technical assistance to LEAs on wide range of facility issues
  - Study and disseminate best facility practices
  - Provide specialized inputs into annual Capital Improvement Program
  - Develop joint recommendations on policy and procedure to IAC
- **Maryland State Department of Education**
  - Reviews facility design for educational appropriateness and alignment with local educational specifications
  - Develops facility standards and guidelines
- **Department of General Services**
  - Reviews facility design for compliance with State technical requirements as well as general good design practice
  - Reviews project procurement for compliance with State requirements

# The Interagency Committee on School Construction

## *DUTIES AND FUNCTIONS OF IAC STAFF*

- **Maryland Department of Planning**
  - Develops annual enrollment projections for each LEA
  - Reviews school sites for compliance with State growth and development strategies
  - Reviews State Rated Capacity of schools on request
- **Public School Construction Program**
  - Provides overall management of the Capital Improvement Program and three other funding programs
  - Interprets and disseminates Regulations and Procedures
  - Conducts maintenance inspections and develops BPW report
  - Monitors contract awards for State-funded projects for compliance with Minority Business Enterprise requirements
  - Organizes three annual meetings of LEA Facility Planners

# The Interagency Committee on School Construction

## ***PROGRAMS ADMINISTERED BY THE IAC***

- **Capital Improvement Program (CIP): \$250 to \$400 Million / Year**
  - Eligible project categories: New and replacement schools, major and limited renovations, systemic renovations, high school science renovations, relocatable classrooms
  - Requires local match (adjusted by local wealth and other factors)
- **Aging Schools Program (ASP): \$10.4 to \$15 Million / Year**
  - Generally includes smaller projects in existing schools; occasional larger projects
  - Generally no local match required
- **Qualified Zone Academy Bond (QZAB) Program: \$10 Million / 2 year authorization**
  - Generally includes smaller projects in existing schools; occasional larger projects
  - Requires 10% private entity match (private corporation cash or equipment, in-kind community contribution, etc.)
  - Applies only to schools with 35% or more FARMS population
  - Current proposed legislation will expand use of funds to include educational programs
- **Recycled Tire Grant Program: \$200,000 / Year**
  - Includes playground surfaces and equipment, and athletic field surfaces
  - Funds are provided by Maryland Department of the Environment

# The Capital Improvement Program Process

- **Summer:**
  - LEAs formulate projects for CIPs
  - PSCP issues letter of instructions and pertinent facts for upcoming CIP submissions
  - PSCP meets with individual LEAs and holds a CIP seminar to outline requirements, procedures
- **August-September:**
  - Local boards approve local CIPs, including both locally- and State-funded projects
- **October:**
  - LEAs submit CIP requests to IAC
  - State agencies meet with all LEAs to review overall facility programs and individual projects; determine eligibility of projects; and notify LEAs of additional information needed
  - By October 15, Governor announces preliminary capital funding budget for school construction

# The Capital Improvement Program Process

- **November:**
  - Staff presents IAC with recommendations for approximately 58% of Governor's preliminary school construction budget, as well as for planning approvals
- **December:**
  - IAC holds hearing for all LEAs to appeal projects not recommended by IAC staff in November
  - IAC approves recommendations to BPW of projects totaling 75% of Governor's preliminary school construction budget, as well as projects for planning approval
  - Staff develops December 31<sup>st</sup> CIP (Green volume)
- **January:**
  - Board of Public Works holds all-day hearing for LEAs to appeal projects not recommended by IAC among 75% recommendations
  - Board of Public Works takes action on proposed CIP recommendations

# The Capital Improvement Program Process

- **January to April:**
  - Staff continues to analyze projects, receive additional information, and hold discussions and meetings with LEAs on CIP issues
- **February:**
  - IAC approves recommendations for 90% of Governor's submitted CIP funding, and additional planning approvals
  - These recommendations are not acted on until after May 1
- **April:**
  - IAC approves recommendations for 100% of final CIP for school construction, and additional planning approvals
  - The funding consists of: Governor's submitted CIP funding; additional funding provided by General Assembly; funds within a Statewide Contingency Account that are reverted from previously approved projects

# The Capital Improvement Program Process

- **May:**
  - Board of Public Works approves final recommendations of IAC
- **June:**
  - PSCP and sister agencies produce final CIP (Yellow volume)
- **Throughout Year:**
  - Amendments to previous year CIPs may be submitted, analyzed and approved by IAC and Board of Public Works

# The Capital Improvement Program Process

## ***CRITERIA FOR CIP PROJECT ELIGIBILITY***

- **Local Approvals:** Approval by local board and support from local government
- **Basic Factors:**
  - Category of work is eligible for State funding
  - School or building system is at least 15 years old (with some exceptions)
- **Planning Approval** (applies only to major projects):
  - Approved site
  - Project justification:
    - Projects for capacity: Full projected utilization of subject and adjacent schools
    - Projects for programmatic purposes: Confirmation of proposed use of the school
    - Cooperative Use Space: Documentation of future use by government agency or non-profit organization
  - For projects already solicited (locally funded projects), confirmation that State MBE procedures were followed
- **Funding Approval** (applies to all projects):
  - Confirmation of continuing enrollment or programmatic justification
  - Evidence of progress in design, to confirm approved funds will be used during the fiscal year

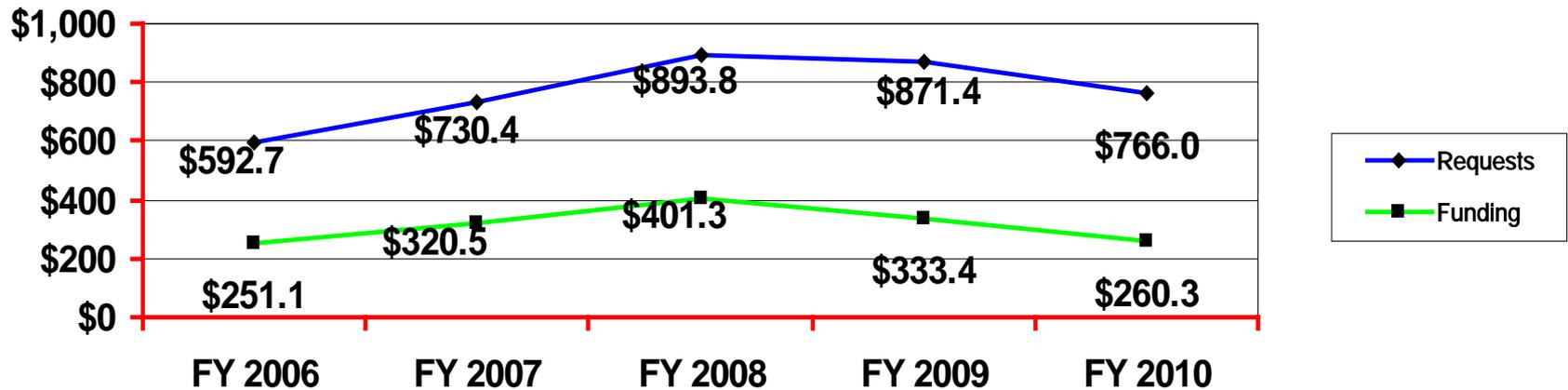
# The FY 2010 Capital Improvement Program

## **BACKGROUND**

- **2003 Kopp Commission Survey:** The Treasurer's *Task Force to Study Public School Facilities* determined that \$3.85 billion would be required to bring Maryland Schools to minimum standards of adequacy
- **Public School Facilities Act of 2004:** General Assembly established a minimum goal of \$250 million per year in State funding for school construction for FY 2006 through FY 2013
  - The goal has been met or exceeded in every fiscal year FY06 – FY09
- **Capital Budgets, FY 2006 – FY 2008:**
  - General Assembly determined allocation of funding to each LEA, but left allocation of individual project funds to IAC
  - General Assembly established in law new 90% recommendation phase, and restricted the action of the Board of Public Works
- **High Performance Buildings Act of 2008:** Requires all new schools after July 1, 2009 to be certified as High Performance (i.e., LEED Silver or equivalent)

# The FY 2010 Capital Improvement Program

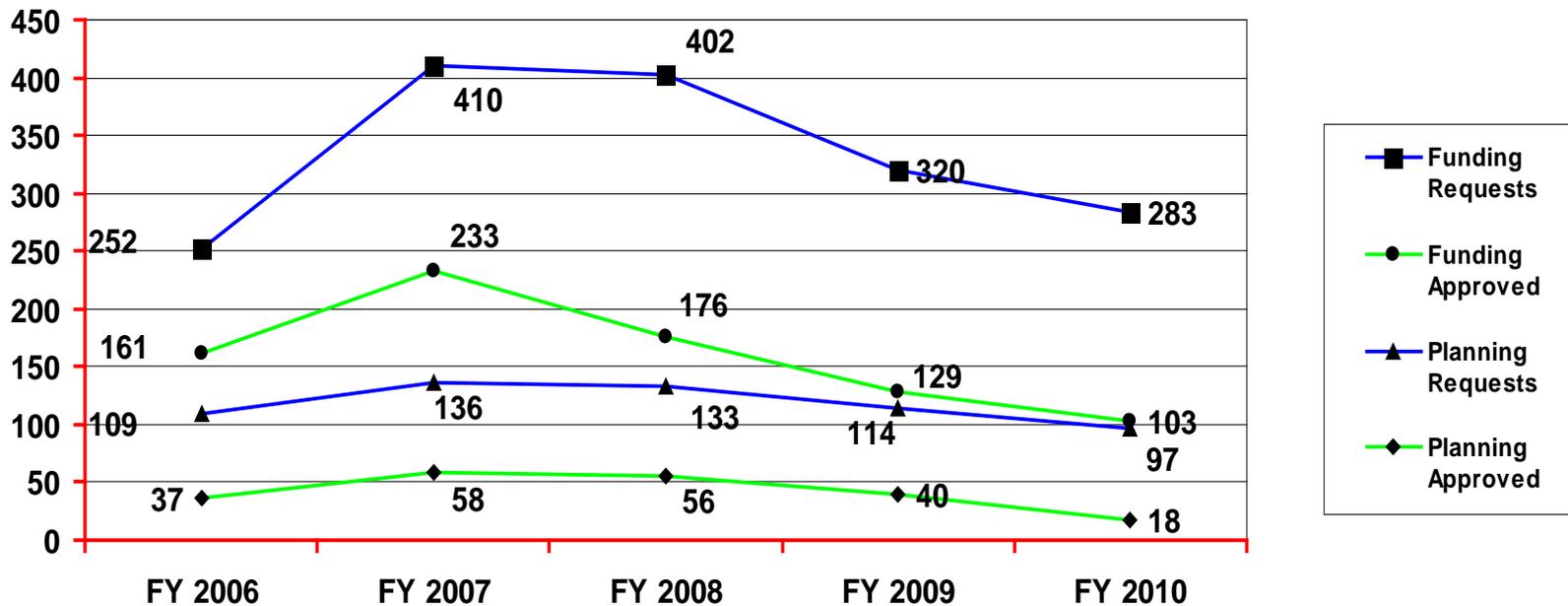
## *FY 2006 – FY 2010 FUNDING REQUESTS AND ALLOCATIONS*



Approximately 18% decline in FY 2010 requests compared to FY 2009, most likely due to local fiscal constraints

# The FY 2010 Capital Improvement Program

*FY 2006 – FY 2010 PROJECT REQUESTS AND APPROVALS (to date)*



# The FY 2010 Capital Improvement Program

## ***FUTURE YEAR PROSPECTS***

- **Anticipated Five-Year Requests FY 2011 – FY 2015: \$4.6 Billion**
  - Actual annual requests tend to be larger than anticipated
  - Construction cost escalation is unpredictable
- **Anticipated Five-Year Funding:**
  - FY 2011 – FY 2013: \$750 Million (\$250 M / Year, per target established in Public School Facilities Act of 2004)
  - FY 2014 and FY 2015: Unknown
  - Renewal of adequacy survey would support need for continuing school construction funding; MSDE has requested \$1.35 million to initiate survey in summer 2009
- **Federal Stimulus Funding:**
  - Requires authorization by General Assembly of two tax-credit bond allocations:
    - QZAB: Similar to current, allocation is substantially larger
    - Qualified School Construction Bonds: \$22 billion over two fiscal years
  - Maryland's allocations are unknown at this time
  - Not known if QSCB will supplant, or supplement GO bonds in CIP